

**Hollywood
Property Owners
Alliance**

John Tronson
President
Avison Young

John Lyons
Vice President
Avalon Hollywood

Drew Planting
Treasurer
GPI

Jan Martin
Secretary
AMDA

David Benavente
Shine America

Leslie Blumberg
The Fonda

Charlie Colletta
HEI, LLC

Joseph D'Amore
Entertainment Inc.

Mark Echeverria
The Musso & Frank Grill

Michael Gargano
Argent Ventures, LLC

David Green
*Nederlander
West Coast*

Galo Medina
*Comprehensive
Financial Services*

Don Mushin
Hollywood Toyota

Frank Stephan
*Clarett West
Development*

Mark Stephenson
*Hollywood United
Methodist Church*

Monica Yamada
CIM Group, Inc.

Kerry Morrison
Executive Director



Hollywood Property Owners Alliance
1680 Vine Street, Suite 414
Hollywood, CA 90028
phone 323 463 6767 fax 323 463 4229

April 21, 2014

TO: Miranda Paster, Office of the City Clerk

FROM: Kerry Morrison, Executive Director, HPOA

SUBJECT: First Quarter Report: January 1, 2014 through March 31, 2014

As is required in our Agreement with the City of Los Angeles, I am submitting our First Quarter Report to summarize key activities of the Hollywood Entertainment District.

I. Operational Issues

- The board established an Insurance Working Group, to work with the HPOA's insurance consultant, Steve Romine, to prepare to bid out the entire book of insurance business for 2014-15. (Current policies expire in October, 2014.) In preparation, Morrison sent an email to the entire BID Consortium asking for comparative information as to what other BIDs are paying for general liability, excess liability, workers comp and D&O insurance. October to present a budget to the board to consider at their November annual meeting. At the November meeting, the board approved a budget that was predicated upon assessment revenue of \$3,495,098. It assumed a three percent delinquency factor and a \$200,000 rollover from the previous year.
- The board voted to elect Chad Lewis, Klein Financial, 1600 Vine property, to fill the vacancy left by Lynda Bybee. That term will end in November, 2014.

II. Security

- Work began on installation of the security camera upgrades for LAPD. There are nine cameras within the HED boundaries.
- A special task force was created in the Security Committee to target the problems associated with chronic inebriates in the two BIDs. Three meetings were held during this quarter, and participants include: LAPD, LAFD, City Attorney, PATH and the council office. Seven years of statistics gathered by Andrews International document that nearly 6 out of 10 private person's arrests are for drinking in public. Further, there are over 40 chronic inebriates, some of whom have been contacted or warned close to 70 times over the course of two years. The task force will look at public education to

discourage giving to panhandlers, ordinances which limit sales of small-sized spirits or single beers, and voluntary moratoria on sales of cheap spirits.

- The board authorized a \$3,000 contribution to My Friend's Place to help pay for staffing to help patrol the area around MFP where there are often complaints related to their clients loitering in the neighborhood. MFP will report directly to the Security Committee on how this impacting the neighborhood.
- The following are the third quarter security stats (through week 11) for the Hollywood Entertainment District:

| Arrests | Radio Calls | Business Contacts | Citizen Contacts | Homeless Referrals |
|-----------------|-----------------|-------------------|------------------|--------------------|
| 172 for quarter | 630 for quarter | 4799 for quarter | 3442 for quarter | 104 for quarter |
| 172 YTD | 630 YTD | 4799 YTD | 3442 YTD | 104 YTD |

III. Streetscape and Planning

- A 90 day extension of the Clean Street contract was signed on January 1. The committee overseeing the RFP process recommended this extension in order to give the company an opportunity to address some of the management. One ask involved designating an in-field supervisor who would work directly with BID staff, thus relieving some of the burden on BID staff to manage the day to day activities of the crew. In March, at the committee's recommendation, the board authorized the staff to negotiate a \$1,022,000 annual contract with Clean Street through the end of the BID (2018).
- During this quarter, an LA Superior Court judge invalidated the Hollywood Community Plan Update. Staff compiled information and prepared an informational Q & A to keep the property owners informed of next steps. The city has opted to not appeal, and a revision to the plan must now be completed.

IV. Marketing and Communications

- In preparation for unveiling a new website "Only in Hollywood," work began on upgrading content. A photographer was hired to create a comprehensive photo bank of images from the BID that can be used exclusively for BID purposes.
- A new "base map" of the Hollywood Entertainment District was created for use on the web, in presentations and supportive collateral.
- Joe Mariani started on January 1 in his new position as Director of Strategic Initiatives & Business Development. In this capacity, he will work alongside our marketing and

communications efforts to help tell the Hollywood story, educate property owners and stimulate investor interest in Hollywood.

V. Other

- During this quarter, the parties settled in the Carr v. city of LA case, which involved a Canadian tourist who tripped in a tree well on Orange Drive, partially as a result of crowded streets during a movie premiere.
- Staff (Strecker, Mariani and Besley) presented to the Board "What I Learned in New York," a summary of key information coming out of the IDA Conference in October, 2013.
- Staff and board members began to take advantage of educational forums around seismic safety, earthquake preparedness and retrofit. A chamber presentation on this topic, headed by Dr. Lucy Jones of the US Geologic Survey, was held on Feb. 13. Dr. Jones also visited with a group of property owners in the BID office on March 17.
- The board heard a presentation by two consultants, retained by CD-13, to undertake a parking study that will result in changes to the zoning code that impacts parking requirements in Hollywood. This is part of the "Modified Parking Requirements Ordinance."
- A bill was introduced by Assembly Speaker Perez, AB 2618, which seeks to clarify language related to general v. special benefit in property based BIDs. The board voted in March to send a support letter.
- The office hosted a Coro Fellow during the month of January, and she assisted Joe Mariani with some of his projects. Additionally, all 12 Coro Fellows did a "logic study" of the Gateway to Hollywood area on January 27, and presented their findings to property stakeholders, board members and community leaders.

Hollywood Property Owners Alliance
Annual Limits & Year-To-Date Totals
Quarter Ending March 31, 2014

| BUDGET LINE ITEM | ANNUAL BUDGET | REVENUE TO DATE | AMOUNT SPENT 1st QTR | AMOUNT YEAR-TO-DATE | PROJECTED SPENDING FOR REMAINDER OF THE YEAR | EXPLANATION OF VARIANCE |
|-------------------|------------------|------------------|----------------------|---------------------|--|-------------------------|
| Assessment Income | 3,495,099 | 1,240,634 | | | | |
| City Fees | 34,951 | | 35,182 | 35,182 | | |
| Contingency | 57,391 | | 126 | 126 | 57,265 | |
| Administration | 216,048 | | 34,788 | 34,788 | 181,260 | |
| Security | 1,633,020 | | 386,440 | 386,440 | 1,246,580 | |
| Maintenance | 1,103,946 | | 265,923 | 265,923 | 838,023 | |
| Personnel | 405,097 | | 94,416 | 94,416 | 310,681 | |
| ED&C/Marketing | 119,639 | | 20,494 | 20,494 | 99,145 | |
| TOTAL | 3,570,092 | 1,240,634 | 837,368 | 837,368 | 2,732,955 | |

| | |
|--|------------------|
| Other income (not included above): | |
| Prior Year(s) Assessment Income Received: | 22,708.69 |
| DWP Grant | |
| Penalty | 6,383.33 |
| Interest-LA City | 2,620.03 |
| Interest-other | 62.35 |
| Total other income 1st Quarter 2014 | 31,774.40 |